



SBA EXPORT FINANCE PROGRAMS

• Export Working Capital Guarantee Program

<http://www.sba.gov/oit/finance/ewcp.html>

PRODUCT DESCRIPTION This program enables U.S. exporters to obtain loans that facilitate the export of goods or services. These working capital loans, made by commercial lenders and backed by an SBA guarantee, provide liquidity to accept new business that expands international sales and lets exporters compete more effectively in the international marketplace. The SBA Export Working Capital Program offers flexible terms, low fees and a quick processing time.

ELIGIBLE LENDER Any SBA Lender with at least three years operating history may apply for eligibility under the Program.

ELIGIBLE EXPORTERS

- Any sole proprietorship, partnership or corporation, which operates as a going concern and meets SBA's definition of an eligible small business.
- Must have an operating history of at least one year [not necessarily in exporting] and a positive net worth.
- Must be a commercial entity, domiciled in the United States or its possessions.
- Principal[s] must be either a U.S. Citizens, Legal Permanent Residents, or have long-term management personnel with U.S. citizenship or Legal Permanent Residency status.

ELIGIBLE BUYERS The foreign buyer must be a creditworthy entity located in an acceptable country; no intra-company transactions.

MAXIMUM LOAN AMOUNT

- The loan amount can be up to \$2 million, under an SBA co-guaranty agreement with Eximbank,
- Borrowers may also have other current SBA guarantees as long as SBA's total guarantee exposure does not exceed \$1,500,000.

GUARANTEE COVERAGE Up to 90% of the principal and interest; A/R up to 180 days.

TERM OF LOAN Guarantee maturities are generally for a term of 12 months. At the end of the 12-months maturity a borrower may reapply for a new guarantee.

GUARANTEE FEE AND INTEREST RATES

The SBA Guarantee fee for EWCP loans is one quarter of one percent (0.25%) on the guaranteed portion of the loan for guarantees of one year or less. Borrower negotiates interest rates and all other fees with Lender; SBA limits do not apply.

USE OF PROCEEDS

- To acquire inventory for export or to be used to manufacture goods for export.
- To pay the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support Standby Letters of Credit related to export transactions [bid & performance bonds].
- For pre-shipment working capital directly related to export orders.
- For post-shipment foreign accounts receivable financing.

INELIGIBLE PROCEEDS

- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To support a sale where the exporter is not taking title to the goods.
- To acquire, equip, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

COLLATERAL REQUIREMENTS

EWCP loans must be fully collateralized at all times. Collateral for the manufacturing sector typically consists of a first lien on all export-related inventory and export related accounts receivable. Collateral for the service sector typically consists of assignment of proceeds of export-related contracts or purchase orders and a first lien on export-related accounts receivable. Other collateral may be required.

APPLICATION PROCESS

A small business exporter seeking an SBA EWCP loan applies directly to a Lender; a CD with application forms is available from SBA staff at local Export Center. The Lender submits a complete application package for the EWCP that has been approved by the bank, plus a check for the guaranty fee to the SBA Senior International Credit Officer located in the Export Center of the Borrower's geographical area.

• ExportExpress Guarantee Program

www.sba.gov/oit/finance/exportexpress.html

PRODUCT DESCRIPTION The ExportExpress program is the most versatile of SBA's export finance programs for small or early stage exporters and it has the same easy-to-use features that have made the SBAEXPRESS loan program so successful with many lenders.

As a subprogram of SBA Express, it is subject to the same loan processing, underwriting, loan closing, servicing, and liquidation requirements as well as the same maturity terms, interest rates, and applicable fees as other SBA loans except as noted below.

ELIGIBLE LENDER

Any Lender with Express authority is eligible.

ELIGIBLE EXPORTERS

The small business eligibility requirements are the same as those for SBA Express, except the applicant business must have been in operation, although not necessarily in exporting, for at least 12 full months.

ELIGIBLE BUYERS

The foreign buyer must be a creditworthy entity located in a country that exports are not legally prohibited.

MAXIMUM LOAN AMOUNT

The total ExportExpress loan cannot exceed \$250,000.

GUARANTEE COVERAGE Currently 85% for loans of \$150,000 and under and 75% for loans over \$150,000 to \$250,000.

TERM OF LOAN The term of the loan is the same as those for SBA Express.

GUARANTEE FEE AND INTEREST RATES

The guarantee fee and interest rates are the same as those for SBA Express.

COLLATERAL REQUIREMENTS

The collateral requirements for ExportExpress are the same as those for SBA Express.

APPLICATION PROCESS The application process is the same for the SBA Express, except the applicant must demonstrate that loan proceeds will enable it to enter a new export market or expand an existing export market. The applicant must submit to the lender a plan that includes projected export sales for the upcoming year as well as the dollar volume of export sales for the previous year.

USE OF PROCEEDS

- Finance standby letters of credit used for either bid or performance bonds;
- Finance export development activities such as export marketing and promotional activities, participation in foreign trade shows, translation of product literature for foreign markets, and other activities designed to initiate or expand the applicant's export of its products/services from the U.S.;
- Provide transaction-specific financing for overseas orders;
- Provide revolving lines of credit for export purposes, the term of which must not exceed 7 years. In some instances, as a normal course of business, the borrower may use portions of revolving lines of credit for domestic purposes, but no less than 70 percent of the revolver to be used for export related purposes;
- Provide term loans and other financing to enable small business concerns, including small business export trading companies to develop foreign markets; and
- Acquire, construct, renovate, modernize, improve or expand production facilities or equipment to be used in the U.S. in the production of goods or services to be exported from the U.S. .

INELIGIBLE PROCEEDS Applicants may not use loans proceeds to support operations, facilities, or offices overseas, other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S.

ADDITIONAL INFORMATION

For more information on both the **SBA Export Working Capital Guarantee Program** and the **Export Express Guarantee Program** contact your lender or:

Inga Fisher Williams
Regional Manager, SBA International Trade Program
U.S. Small Business Administration / U.S. Export Assistance Center
One World Trade Center, Suite 242
121 SW Salmon Street
Portland, OR 97204
Tel: 503.326.5498
inga.fisherwilliams@mail.doc.gov